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News Release

national machine tool builders association

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MACHINE TOOL ORDERS DOWN IN APRIL

The National Machine Tool Builders' Association reported today that April orders for machine tools totaled $129.90 million, down 20.9% from the $164.20 million figure for March. New orders for metal cutting machinery fell 35.9% to $79.15 million, while orders for metal forming equipment rose 24.5% to $50.75 million.

Compared to April one year ago, total orders have fallen 32.8%, from $193.25 million. This reflects a 41.9% drop in metal cutting machine tool orders and a 11.1% drop in metal forming equipment orders. Year-to-date orders stand at $593.60 million, down 26.6% from the same period in 1986. This represents a 32.4% drop in orders for metal cutting equipment and a 10.0% drop in orders for metal forming equipment for the first four months of the year.

"The Tax Act of 1986, coupled with an uncertain economic environment, has created a disastrous situation for the machine tool industry," said James A. Gray, president of NMTBA. "The economic uncertainty causes manufacturers to delay expansion plans, thereby slowing, and often eliminating, the use of the latest manufacturing technology in U.S. plants. The uncertainty further causes prudent manufacturing managers to delay replacing worn machinery and

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modernizing plants in order to avoid additional debt, and to conserve cash in case there is a downturn. And if economic uncertainty continues over a period of years -- as it has -- the continued annual cutbacks in new manufacturing technology investment keep pushing machine tool jobs lower and lower. This year's declines in machine tool orders represent a decline from a year (1986) that was one of the lowest order years in post-World War II history.

"The process is exacerbated by the lowest rate of manufacturing capacity utilization in three years -- 78.9% at the most recent reporting. It has been a rule of thumb that American industry doesn't start investing in new plant and equipment for growth until the percentage rate of manufacturing capacity utilization climbs into the low 80s. American manufacturing has no chance of survival, if the slow, steady erosion of our manufacturing capital base continues -- an erosion that has been going on since the early part of this decade (and which was prevalent during much of the late 1960s and the 1970s).

"America is at a crossroads: Either we act to save our manufacturing sector, or we will lose much of it. Government can help, by restoring reasonable capital recovery provisions to our tax code. But the tough, courageous decisions have to be made by the managers of America's corporations. They must risk large amounts of money to move quickly into the next generation of manufacturing technology.

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"If American industry regains its competitiveness and controls its destiny, by using only the most modern, most efficient tools of production, then Americans can control America's economic future.

"But if we allow our manufacturing base to continue to erode, and continue to lose competitive ground, then those who supply America will be the ultimate masters of our economic destiny," Gray concluded.

Total machine tool shipments for April fell to $172.45 million, down 5.5% from the $182.50 million posted in March. Metal cutting machine tool shipments fell 16.4% to $115.95 million, while shipments of metal forming equipment rose 28.8% to $56.50 million.

Compared to April a year ago, total shipments for the month were off 17.7%, with metal cutting equipment down 23.8% and metal forming equipment down 1.7%. The year-to-date figure for total shipments stands at $649.25 million, down 19.5% from the $806.85 million of one year ago. This represents a 13.7% fall in shipments of metal cutting machine tools and a 31.2% fall in shipments of metal forming machine tools.

The order backlog for April 1987 fell to $1,148.70 million, down from the $1,191.25 million posted in March.

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COMPARISON CHART

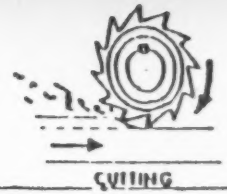
NET NEW ORDERS -- MACHINE TOOLS
(Millions of Dollars)

	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
APR 1987	64.90	14.25	79.15	45.00	5.75	50.75	109.90	20.00	129.90
MAR 1987	107.55	15.90	123.45	28.70	12.05	40.75	136.25	27.95	164.20
% CHANGE									
APR 1987:MAR 1987	-39.7	-10.4	-35.9	+56.8	-52.3	+24.5	-19.3	-28.4	-20.9
APR 1986	118.30	17.85	136.15	50.95	6.15	57.10	169.25	24.00	193.25
% CHANGE									
APR 1987:APR 1986	-45.1	-20.2	-41.9	-11.7	-6.5	-11.1	-35.1	-16.7	-32.8
YEAR TO DATE 1987	356.45	48.80	405.25	149.70	38.65	188.35	506.15	87.45	593.60
YEAR TO DATE 1986	549.75	49.90	599.65	189.50	19.85	209.35	739.25	69.75	809.00
% CHANGE									
1987 : 1986	-35.2	-2.2	-32.4	-21.0	+94.7	-10.0	-31.5	+25.4	-26.6

SHIPMENTS -- MACHINE TOOLS
(Millions of Dollars)

	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
APR 1987	102.30	13.65	115.95	48.05	8.45	56.50	150.35	22.10	172.45
MAR 1987	118.20	20.45	138.65	35.85	8.00	43.85	154.05	28.45	182.50
% CHANGE									
APR 1987:MAR 1987	-13.5	-33.3	-16.4	+34.0	+5.6	+28.8	-2.4	-22.3	-5.5
APR 1986	140.05	12.05	152.10	50.75	6.70	57.45	190.80	18.75	209.55
% CHANGE									
APR 1987:APR 1986	-27.0	+13.3	-23.8	-5.3	+26.1	-1.7	-21.2	+17.9	-17.7
YEAR TO DATE 1987	413.40	51.70	465.10	157.80	26.35	184.15	571.20	78.05	649.25
YEAR TO DATE 1986	471.80	67.25	539.05	248.80	19.00	267.80	720.60	86.25	806.85
% CHANGE									
1987 : 1986	-12.4	-23.1	-13.7	-36.6	+38.7	-31.2	-20.7	-9.5	-19.5

Source: National Machine Tool Builders' Association



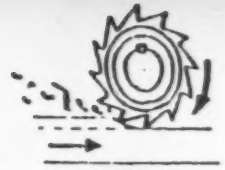
TOTAL INDUSTRY ESTIMATE
MACHINE TOOLS - CUTTING AND FORMING
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1986	$ 1,883.35	$ 241.95	$ 2,125.30	1,204.35	$ 2,306.05	$ 272.45	$ 2,578.50
1987							
JAN	$ 118.55	$ 28.10	$ 146.65	1,203.30	$ 135.35	$ 12.35	$ 147.70
FEB	$ 141.45	$ 11.40	$ 152.85	1,209.55	$ 131.45	$ 15.15	$ 146.60
MAR	$ 136.25	$ 27.95	$ 164.20	1,191.25	$ 154.05	$ 28.45	$ 182.50
APR (P)	$ 109.90	$ 20.00	$ 129.90	1,148.70	$ 150.35	$ 22.10	$ 172.45
4 MONTHS	$ 506.15	$ 87.45	$ 593.60		$ 571.20	$ 78.05	$ 649.25

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1986	$ 2,065.20	$ 257.20	$ 2,322.40	$ 181.85	$ 15.25	$ 197.10
1987						
JAN	$ 124.60	$ 28.20	$ 152.80	$ 6.05	$ .10	$ 6.15
FEB	$ 147.45	$ 13.60	$ 161.05	$ 6.00	$ 2.20	$ 8.20
MAR	$ 165.05	$ 30.05	$ 195.10	$ 28.80	$ 2.10	$ 30.90
APR (P)	$ 119.35	$ 20.90	$ 140.25	$ 9.45	$ .90	$ 10.35
4 MONTHS	$ 556.45	$ 92.75	$ 649.20	$ 50.30	$ 5.30	$ 55.60

P - Preliminary

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.



INDUSTRY ESTIMATE
METAL CUTTING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1986	$ 1,376.55	$ 167.70	$ 1,544.25	897.25	$ 1,684.70	$ 205.60	$ 1,890.30
1987							
JAN	$ 85.65	$ 13.30	$ 98.95	884.95	$ 104.10	$ 7.15	$ 111.25
FEB	$ 98.35	$ 5.35	$ 103.70	889.40	$ 88.80	$ 10.45	$ 99.25
MAR	$ 107.55	$ 15.90	$ 123.45	874.20	$ 118.20	$ 20.45	$ 138.65
APR (P)	$ 64.90	$ 14.25	$ 79.15	837.40	$ 102.30	$ 13.65	$ 115.95
4 MONTHS	$ 356.45	$ 48.80	$ 405.25		$ 413.40	$ 51.70	$ 465.10

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1986	$ 1,498.60	$ 176.35	$ 1,674.95	$ 122.05	$ 8.65	$ 130.70
1987						
JAN	$ 90.30	$ 13.35	$ 103.65	$ 4.65	$ .05	$ 4.70
FEB	$ 101.55	$ 7.50	$ 109.05	$ 3.20	$ 2.15	$ 5.35
MAR	$ 114.00	$ 17.95	$ 131.95	$ 6.45	$ 2.05	$ 8.50
APR (P)	$ 73.10	$ 14.60	$ 87.70	$ 8.20	$ .35	$ 8.55
4 MONTHS	$ 378.95	$ 53.40	$ 432.35	$ 22.50	$ 4.60	$ 27.10

P - Preliminary

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.

INDUSTRY ESTIMATE
METAL FORMING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1986	$ 506.80	$ 74.25	$ 581.05	307.10	$ 621.35	$ 66.85	$ 688.20
1987							
JAN	$ 32.90	$ 14.80	$ 47.70	318.35	$ 31.25	$ 5.20	$ 36.45
FEB	$ 43.10	$ 6.05	$ 49.15	320.15	$ 42.65	$ 4.70	$ 47.35
MAR	$ 28.70	$ 12.05	$ 40.75	317.05	$ 35.85	$ 8.00	$ 43.85
APR (P)	$ 45.00	$ 5.75	$ 50.75	311.30	$ 48.05	$ 8.45	$ 56.50
4 MONTHS	$ 149.70	$ 38.65	$ 188.35		$ 157.80	$ 26.35	$ 184.15

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1986	$ 566.60	$ 80.85	$ 647.45	$ 59.80	$ 6.60	$ 66.40
1987						
JAN	$ 34.30	$ 14.85	$ 49.15	$ 1.40	$ .05	$ 1.45
FEB	$ 45.90	$ 6.10	$ 52.00	$ 2.80	$ .05	$ 2.85
MAR	$ 51.05	$ 12.10	$ 63.15	$ 22.35	$ .05	$ 22.40
APR (P)	$ 46.25	$ 6.30	$ 52.55	$ 1.25	$ .55	$ 1.80
4 MONTHS	$ 177.50	$ 39.35	$ 216.85	$ 27.80	$ .70	$ 28.50

P - Preliminary
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